NATIONAL ARCHIVES Explore our Websites

RONALD REAGAN
Presidential Library & Museum

MENU

Home Archives Remarks to State Chairpersons of the National White House Conference on Small Business

Remarks to State Chairpersons of the National White House Conference on Small Business

August 15, 1986

Welcome to the Old Executive Office Building. You know, I can't help but stick in here--we do have more than just recent activities in common. I got to remembering the other day that when I was a lifeguard on the Rock River in Dixon, Illinois, all the way through high school and college--had to work my way through school. I had a canoe. I used to rent it out at 35 cents an hour. [Laughter] That's because the people that were renting out the rowboats were charging 25 cents, and I didn't want to seem to be competing with them--and canoes are better than rowboats.

Well, anyway, it's wonderful to be having this White House Conference on Small Business again after almost 6 years. Things certainly have changed in the meantime. Back then, government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it. [Laughter] Well, with your help, I think we've turned all that around. We cut taxes. We squashed inflation. We brought interest rates down, threw out needless regulations, setting the economy on a growth path that has created somewhere in the neighborhood of 11 million new jobs in under 4 years. Now, most people know that history. What isn't widely enough recognized, however, is the leading role of entrepreneurs and small businesses in our ongoing expansion.

According to the Small Business Administration, small businesses account for nearly half of all the innovations and over 70 percent of all those new jobs--you heard right, over 70 percent. That increase in these last few years was by what we call small business. And

incidentally, a figure that is astounding today -- when we still keep being concerned with an unemployment rate -- is that 61.2 percent of what is known as the potential job market is employed. And that is the highest percentage in all our history, because that figure is 61.2 percent of all the human beings, male and female, from ages 16 up. And there never has been that great a percentage employed before.

But it's individuals and small firms who are on the cutting edge of growth and technological development. It's entrepreneurs with a new idea or a different approach, visionaries with an impossible dream and the determination to make it happen -- these are the people who are propelling our economy forward. And the best way to keep up the momentum is to give them the freedom they need by cutting tax rates -- and then cutting them again. If you thought our 1981 tax rates were good, wait till you feel the added horsepower that tax reform injects into our economy. We're slashing the top individual and corporate tax rates and wiping out unfair tax breaks at the same time. We're going to get America's investments out from under the tax shelters and back into the productive economy where they belong.

But we've still got a fight on our hands trying to cut back Federal spending. And your continued support on this is vital. Gramm-Rudman-Hollings is a big help, of course, but if Congress has trouble making the necessary, responsible cuts, then they should give me the line-item veto. I'll take the political heat. In fact, I'll enjoy it. [Laughter] As a Governor, with the line-item veto on budgets, I did it 943 times in 8 years without being overridden once. I miss that. [Laughter] But total reform is another major item on our agenda, and we're going to encourage the Senate to act on it this fall. We must return to a system that is based on fault, rather than deep pockets, a system -- I said total reform -- tort reform is what I'm talking about, a system that's fair to small business and consumers who need your continued innovation in marketing and job creation. I pledge to you that we share your commitment to seeing these goals achieved.

And you know, it's said that if you lined up all the economists in the world end to end, they still wouldn't reach a conclusion. [Laughter] Now, I feel free to tell that joke because my degree was in economics. [Laughter] Well, economists may forever differ, but one of the most exciting things about tax reform is that it represents a new consensus in this town -- a consensus developing around progrowth, low-tax policies. We saw the strength of that consensus by the way that tax reform powered through the Senate. As my economic advisers point out, tax reform will rev up the engines of growth. It's just a hunch, but I bet there won't be many candidates in '88 calling for a tax hike.

The next stage is to convince our trading partners to follow suit, to take the path of high real growth. Maybe then we could get the world economy moving faster and stronger, and it wouldn't just be us out there in front all alone, trying to pull the rest of the world behind us. The Europeans call our economic performance -- to my face they've called it the American miracle. In fact, it is thousands of individual miracles of faith, hard work, and imagination -- thousands of entrepreneurs and small business people like you. I've often thought that America's entrepreneurs, like the men and women here at this conference, would make the best ambassadors of progress. You'd not only be convincing proponents of low tax rates and stable monetary policies, deregulation, you'd show the world that economic growth doesn't come from government spending or planning, but from the heart and soul of entrepreneurs -- men and women who are willing to take risks, who brave failure to seek success on the frontiers of enterprise.

And today we're honoring 11 such men and women. One of them, the economist George Gilder, wrote a book titled ``The Spirit of Enterprise,'' an eloquent celebration of the entrepreneur and his leading role in shaping our economy, in shaping our very world. The entrepreneur, says Gilder, is not a ``tool of markets, but a maker of markets; not a scout of opportunities, but a developer of opportunity; not a respondent to existing demands, but an innovator who evokes demand.'' And he sees the entrepreneur as a kind of a transcendent artist of the real. But, he says, "Because entrepreneurs must necessarily work and share credit with others and produce for them, they tend to be less selfish than other creative people, who often exalt self-expression as their highest goal.''

Well, Mr. Gilder speaks of the essential spirit of giving that lies at the heart of free enterprise -- because it is the only economic system in which success depends not on coercion or power, but the ability to respond creatively to others' needs. That underlying generosity of purpose is seen in the likes of Ray Kurzweil, whose genius has given us a computer that can read books to the blind; or Wally Amos, who has devoted his profits from his Famous Amos cookies to help disadvantaged children get an education.

All of these people being honored here today, and all of you in the small business community, exemplify the generous creativity of free enterprise that is making this the age of the entrepreneur. You are adventurers on the road of progress; you are the pathfinders, the scouts of a world of new and greater possibilities. You have all given so much to your country and your fellow man -- jobs, hope, opportunity for millions, and expanding horizons for America's future. For that, I and the American people owe you our esteem and our gratitude.

Well, I'm looking forward to meeting you, as I'm going to get to in a very few minutes, and getting the recommendations from the 1986 Conference on Small Business. I will be naming a permanent administrator of the SBA, and I can assure you that the Small Business Administration will continue to have an important voice in the councils of government.

Now we go to the reception, where I'll be able to congratulate each one of the honorees personally. And until then, which is only a few minutes, as I say, down the hall there, thank you. God bless you all.

Note: The President spoke at 1:20 p.m. in Room 450 of the Old Executive Office Building.

Date 08/15/1986

RONALD REAGAN
Presidential Library & Museum

40 Presidential Drive
Simi Valley, CA 93065

800-410-8354

reagan.library@nara.gov

Museum Hours
Mon-Sun 10am-5pm

Research Room Hours
Mon-Fri 9am-5pm
Appointments Are Required

Holiday and Special Event Hours
Closed Thanksgiving Day,
Christmas Day, and New Year's Day

Closed December 6, 2025 (Saturday) for a private event at the Library

NATIONAL ARCHIVES